



Chicago Metropolitan Agency for Planning

233 South Wacker Drive
Suite 800
Chicago, IL 60606

312-454-0400 (voice)
312-454-0411 (fax)
www.cmap.illinois.gov

MEMORANDUM

To: CMAP Board

Date: March 31, 2010

From: Don Kopec, Deputy Director of Planning & Programming

Re: Major Transportation Capital Projects – Status Update

The *GO TO 2040* plan will include a fiscally constrained list of major capital projects, as required by federal regulations. Since there is insufficient funding available to pursue all potentially beneficial projects, project prioritization is necessary. This memo describes how the level of fiscal constraint was determined; presents the initial staff proposal for projects to be included within the constrained amount; and describes the schedule and next steps in developing a final list of fiscally constrained projects.

ACTION REQUESTED: Information and Discussion

GO TO 2040 Major Transportation Capital Projects

March-April 2010

Introduction

GO TO 2040, due to be completed in October, is the region's long-range comprehensive plan. Over the last several years, CMAP has developed a [Regional Vision](#), produced [snapshot reports](#) and [strategy reports](#) on regional trends and best practices, and most recently, released the [Preferred Regional Scenario](#) in January. The Preferred Regional Scenario describes the key policy directions that will be pursued in GO TO 2040.

Beyond policy recommendations, the plan will also include a "fiscally constrained" list of "major transportation capital projects," as required by federal regulations. Since there is insufficient funding available to pursue all projects, prioritization is necessary. This document describes the terms used above, explains how the level of funding available for major capital projects was determined, and presents the initial CMAP proposal for projects to be considered fiscally constrained.

Definitions

Several terms were used above which need definition. First, "major transportation capital projects" make up only a small subset of all transportation projects. They are large projects with a significant effect on the capacity of the region's transportation system, including extensions or additional lanes on the interstate system, entirely new expressways, or similar changes to the passenger rail system. Arterial expansions and intersection improvements are not major capital projects; neither are bus facilities, unless they involve a dedicated lane on an expressway.

The term "fiscally constrained" was also used. Fiscal constraint is the amount of funding judged to be available for major transportation capital projects, based on a thorough review of expected transportation revenues and costs between now and 2040. Projects that are on the "fiscally constrained" list are those for which sufficient funding is available.

Level of fiscal constraint

A detailed [transportation financial plan](#) is being prepared as part of GO TO 2040. The conclusions of this work are that approximately \$10.5 billion (in year of expenditure dollars, which adjust for inflation) from existing or reasonably expected sources is likely to be available for major capital projects between now and 2040. While this is a significant number, it remains a small percentage of the region's overall \$385 billion in transportation expenditures during this time frame. This emphasis reflects the overall priority of GO TO 2040 in maintaining,

systematically improving, and modernizing the infrastructure that we already have, rather than creating entirely new capital facilities.

Project prioritization

Projects were prioritized based on their support for the Preferred Regional Scenario, the results of individual project evaluations, and information from other project analyses. The priorities of *GO TO 2040* are to maintain the existing system and make systematic improvements. The bulk of the region's transportation investment will be to maintain, improve, and modernize our infrastructure; pursuing new major capital projects, while important, is a lower priority than these other activities.

The highest priority major capital projects are those on the "fiscally constrained" list, on pages 3-4 of this memo. Several themes can be seen in the prioritization of fiscally constrained projects. First, there are few new projects or extensions. The majority of the constrained projects involve improvements to existing facilities. Second, there are a number of "managed lanes" projects. These are envisioned to incorporate advanced tolling strategies such as congestion pricing, transit alternatives like Bus Rapid Transit (BRT), or special accommodations for truck travel. Third, there is considerable public investment in transit. These priorities are consistent with the direction of the Preferred Regional Scenario, which calls for investment in the existing system, use of innovative transportation finance methods, support for freight, and a focus on improving the public transit system.

Implications of project categorization

In the tables below, projects are broken into two categories:

- Projects that are "fiscally constrained," meaning that their costs can be covered within the region's expected transportation revenue and that the project has been included in the demonstration that air quality standards will be met (a federal requirement). This is the highest priority category of major capital projects.
- Projects that are "fiscally unconstrained." As a later step, further prioritization and classification of these projects is expected. The projects in this category are in a variety of stages of development or financial analysis. Some are rapidly advancing through the project development process, or show high potential benefits; *GO TO 2040* will make specific recommendations for actions to be taken to continue to advance these projects.
- Also, several projects were proposed by individuals or organizations during the *GO TO 2040* plan or during past regional plans but were not fully evaluated. These projects are listed in an appendix attached to [this memo to CMAP's Transportation Committee](#).

Under federal regulations, major capital projects may not receive design approval (awarded at the completion of preliminary engineering), unless they are included in the fiscally constrained project list. Implementers may initiate preliminary engineering, feasibility studies, or other preliminary work regardless of how projects are treated within *GO TO 2040*.

Regional planning is a continuous process which responds to changing circumstances, and priorities change over time. The long-range plan is updated at least every four years, and this provides an opportunity to reassign projects to different categories in response to changes in funding situations or priorities. Even outside of the required update cycle, the plan can be modified at any point by CMAP's governing boards. However, changes between plan updates should not be made casually; they should be reserved for rare circumstances that could not be foreseen. CMAP believes that the project categories should truly reflect the region's priorities.

The placement of a project on the fiscally unconstrained project list does not mean that the project is undesirable or not recommended. Some projects on this list showed regional benefits, but are not far enough along in the study phase to have firm cost estimates, alignment, or limits; for these, *GO TO 2040* will recommend accelerating the study of these projects so that they can be better understood. Other projects may have potential for innovative financing arrangements which would significantly change their public sector cost or implementation schedule. For both of these cases, more detailed information or changes in financing status would justify reconsidering whether the project should be placed on the fiscally constrained list.

Project categorization

The initial staff proposal for the categorization of projects is presented on the following pages. The first chart shows that the total public sector cost for new capital for the constrained projects is approximately \$10.5 billion. Please note that a line item of \$100 million is included for the continued study and prioritization of projects that are currently not on the constrained list. Some of these projects appear to have considerable potential, but are at an early stage in the project development process; this funding is meant to advance the planning and study of these projects to better understand their benefits.

These projects are shown in a map on the final page of this document.

Initial proposal for "fiscally constrained" projects:

<i>Project</i>	<i>Year</i>	<i>Construction cost, 2009\$b</i>	<i>Full cost, YOE\$b</i>	<i>Revenue (toll) assumptions</i>	<i>Public sector cost, YOE\$b</i>
New facilities and extensions					
Central Lake County Corridor: IL 53 North and IL 120 Limited Access	2025	2.00	3.41	75%	0.85
Elgin O'Hare Expressway Improvements (includes Western O'Hare Bypass, EOE East Extension, and EOE Add Lanes)	2020	3.60	5.49	75%	1.37
I-294/I-57 Interchange Addition	2020	0.58	0.88	20%	0.71
Red Line Extension (South)	2015	1.05	1.88	0%	1.88
West Loop Transportation Center	2020	2.50	4.15	0%	4.15
Expansions and improvements					
I-190 Access Improvements	2020	0.36	0.54	0%	0.54
I-290 Managed Lanes	2020	1.50	2.29	25%	1.72
I-55 Managed Lanes	2025	1.60	2.72	25%	2.04
I-80 Add Lanes (US 30 to US 45)	2015	0.10	0.14	0%	0.14

<i>Project</i>	<i>Year</i>	<i>Construction cost, 2009\$b</i>	<i>Full cost, YOE\$b</i>	<i>Revenue (toll) assumptions</i>	<i>Public sector cost, YOE\$b</i>
I-88 Add Lanes	2020	0.02	0.03	75%	0.01
I-90 Managed Lanes	2020	1.80	2.74	75%	0.69
I-94 Add Lanes North	2015	0.10	0.14	75%	0.03
North Red Line Improvements	2020	2.26	3.45	0%	3.45
Rock Island Improvements	2020	0.47	0.71	0%	0.71
Southwest Service Improvements	2020	0.19	0.31	0%	0.31
UP North Improvements	2020	0.40	0.66	0%	0.66
UP Northwest Improvements/Extension	2017	0.44	0.69	0%	0.69
UP West Improvements	2017	0.56	0.89	0%	0.89
Other					
Continued study and prioritization					0.10
Total public sector cost					20.8
Total public sector cost for new capital elements*					10.5

* This figure is calculated by applying the standard that 50% of the cost of an average project actually involves reconstruction, which has already been included in estimates of maintenance needs. Therefore, while the total project costs of constrained projects are \$20.8 billion, only \$10.4 billion of this is actually estimated to be for new capital elements. Added to this is the \$100 million in project development costs described above.

Initial proposal for “fiscally unconstrained” projects:

<i>Project</i>	<i>Year</i>	<i>Construction cost, 2009\$b</i>	<i>Full cost, YOE\$b</i>	<i>Revenue (toll) assumptions</i>	<i>Public sector cost, YOE\$b</i>
New facilities and extensions					
Blue Line West Extension	2040	2.30	5.58	0%	5.58
BNSF Extension	2020	0.08	0.12	0%	0.12
Brown Line Extension	2040	3.70	8.98	0%	8.98
Central Area Transitway	2020	0.30	0.50	0%	0.50
Circle Line (North)	2040	2.00	4.85	0%	4.85
Circle Line (South)	2017	1.00	1.79	0%	1.79
DuPage "J" Line	2030	1.10	2.16	0%	2.16
Elgin O'Hare Expressway West Extension	2030	0.18	0.34	25%	0.26
Elgin O'Hare Expressway Far West Extension	2030	0.21	0.40	25%	0.30
I-80 to I-55 Connector	2040	0.10	0.24	50%	0.12
Illiana Corridor	2030	2.87	5.48	75%	1.37
Inner Circumferential Rail Service	2040	1.10	2.67	0%	2.67
McHenry-Lake Corridor	2040	1.00	2.43	25%	1.82
Metra Electric Extension	2020	0.26	0.43	0%	0.43
Mid-City Transitway	2040	1.30	3.16	0%	3.16
Milwaukee District North Extension	2020	0.58	0.96	0%	0.96
Milwaukee District West Extension	2020	0.78	1.29	0%	1.29
O'Hare to Schaumburg Transit Service	2040	1.00	2.43	0%	2.43
Orange Line Extension	2015	0.45	0.69	0%	0.69

<i>Project</i>	<i>Year</i>	<i>Construction cost, 2009\$b</i>	<i>Full cost, YOE\$b</i>	<i>Revenue (toll) assumptions</i>	<i>Public sector cost, YOE\$b</i>
Prairie Parkway	2025	0.90	1.53	25%	1.15
Rock Island Extension	2040	0.05	0.12	0%	0.12
Southeast Service	2017	0.74	1.17	0%	1.17
Southwest Service Extension/Full Service	2040	0.29	0.71	0%	0.71
STAR Line	2017	2.76	4.39	0%	4.39
Yellow Line Enhancements and Extension	2015	0.23	0.36	0%	0.36
Expansions and improvements					
Express Airport Train Service	2020	1.75	2.87	0%	2.87
Heritage Corridor	2040	0.18	0.43	0%	0.43
I-55 Add Lanes and Reconstruction	2020	0.75	1.14	0%	1.14
I-57 Add Lanes	2030	0.80	1.53	0%	1.53
I-80 Add/Managed Lanes	2025	2.25	3.83	25%	2.87
IL 394	2020	0.54	0.82	0%	0.82
Milwaukee District North Improvements	2020	0.08	0.12	0%	0.12
North Central Service Improvements	2040	0.30	0.72	0%	0.72
South Lakefront Corridor	2020	1.00	1.66	0%	1.66
Total public sector cost					
					60.70
Total public sector cost for new capital elements*					
					30.35

*This figure is calculated by applying the standard that 50% of the cost of an average project actually involves reconstruction, which has already been included in estimates of maintenance needs.

Schedule and next steps

The project categorization described above represents an initial staff proposal. Comments from stakeholders and the public will be sought during March and April. CMAP's governing boards will be asked to release a draft of *GO TO 2040* – which will include a recommended fiscally constrained list of major capital projects – in June, and additional opportunities for public comment will be available over the summer. Final adoption of *GO TO 2040* is scheduled for October.

Further resources

For more information on capital projects, please visit the CMAP website. Useful links include:

- A single document containing descriptions of each project:
<http://www.cmap.illinois.gov/WorkArea/DownloadAsset.aspx?id=18975>
- A matrix comparing the evaluation results of each project:
<http://www.cmap.illinois.gov/WorkArea/DownloadAsset.aspx?id=19013>
- Previous memos to CMAP's Transportation Committee concerning the major capital project prioritization process and the development of the financial plan:
<http://www.cmap.illinois.gov/transportation/minutes.aspx>

Initial proposal for fiscally constrained projects

